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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

In re:

THE ROMAN CATHOLIC
ARCHBISHOP OF SAN FRANCISCO,

Debtor and Debtor in
Possession.

Case No. 23-30564

Chapter 11

**FIRST INTERIM APPLICATION OF
GLASSRATNER ADVISORY & CAPITAL
GROUP, LLC d/b/a B. RILEY ADVISORY
SERVICES FOR ALLOWANCE OF FEES
AND REIMBURSEMENT OF EXPENSES
AS FINANCIAL ADVISOR FOR THE
DEBTOR**

Date: April 4, 2024

Time: 1:30 p.m.

Location: Via ZoomGov

Judge: Hon. Dennis Montali

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Case No. 23-30564

B. RILEY FIRST INTERIM APPLICATION

FOR ALLOWANCE OF FEES

1 GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Services, (hereinafter
2 “B. Riley”), financial advisor for The Roman Catholic Archbishop of San Francisco, the debtor and
3 debtor in possession (“RCASF” or “Debtor”), submits this application (the “Application”) for first
4 interim allowance of fees and reimbursement of expenses for the period of August 21, 2023 (the
5 “Petition Date”), through and including January 31, 2024 (the “Application Period”), as set forth
6 in the Request for Relief below. In support of this Application, B. Riley relies on this Application,
7 the Declaration of Wayne P. Weitz (the “Weitz Declaration”) filed in support of this Application,
8 the Declaration of Father Summerhays (“Summerhays Declaration”), and the pleadings and papers
9 on file in this case, and on such other evidence and argument as may be submitted before or during
10 the hearing on this Application.

11 **I.**

12 **RELIEF REQUESTED**

13 Through this Application, B. Riley requests an Order:

- 14 1. Approving on an interim basis B. Riley’s fees in the amount of \$449,209.75 and
15 reimbursement of expenses in the amount of \$12,864.01 for a total of \$462,073.76 incurred from
16 the Petition Date through January 31, 2024.
- 17 2. Authorizing payment to B. Riley by the Debtor of the unpaid balance of the allowed
18 fees and expenses after application of any retainer; and
- 19 3. For such other relief as the Court deems just and proper.

20 **II.**

21 **BACKGROUND FACTS**

22 On the Petition Date, the Debtor filed a voluntary Chapter 11 Bankruptcy Petition. The
23 Debtor remains in possession of its estate, no trustee having been appointed. The Debtor is
24 operating and managing its business as a debtor in possession pursuant to the provisions of
25 Sections 1107 and 1108 of the Bankruptcy Code. On September 1, 2023, the Office of the United
26 States Trustee appointed an Official Committee of Unsecured Creditors (the “Committee”) (ECF
27 No. 58).

28 A description of the Debtor’s history, business operations, operational structure, the

1 reasons for commencing the Chapter 11 Case, the relief sought from the Court, and the facts and
2 circumstances supporting this Motion are set forth in the *Declaration of Joseph J. Passarello in*
3 *Support of Chapter 11 Petition and First Day Motions* filed on August 21, 2023, at ECF14 (the
4 “Passarello Declaration”)

5 On September 25, 2023, the Court entered its order granting the Debtor’s application to
6 employ B. Riley as financial advisor, effective as of August 21, 2023 (ECF 168).

7 **III.**

8 **STATUS OF CASE**

9 To avoid unnecessary duplication, the case status is set forth in the First Interim Application
10 of Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP for Allowance of Fees and
11 Reimbursement of Expenses as Counsel for Debtor in Possession and incorporated herein by this
12 reference.

13 **IV.**

14 **SERVICES RENDERED**

15 The services performed by B. Riley in this case have been categorized into task billing
16 categories. Detailed billing statements reflecting B. Riley’s time records and out of pocket
17 expenses, including a summary of the aggregate and itemized hours and total compensation
18 requested with respect to the professionals who provided compensable services are attached to the
19 Weitz Declaration as ***Exhibit A***.

20 The billing statements are organized by task, and the content of the billings included in each
21 task is generally explained below.

22 A listing of the billing task categories showing the number of professional hours expended
23 and fees incurred under each billing task category is shown below:

CATEGORY	HOURS	FEES
Asset Analysis	60.60	\$29,666.00
Business Analysis	450.70	\$231,264.00
Business Operations	0.30	\$202.50
Case Administration	31.70	\$18,745.50

CATEGORY	HOURS	FEES
Debtor Meeting/Communications	7.30	\$4,483.50
Employment/Fee Applications	15.90	\$5,848.50
Litigation	41.70	\$23,530.50
Monthly Operating Reports	300.00	\$137,694.00
Non-working Travel	75.20	\$16,907.00
Subtotal	983.40	\$468,341.50
Adjustment for Billing Rate¹		\$(19,131.75)
Totals	983.40	\$449,209.75
Average Hourly Rate		\$456.79

Below is a general description of the work performed in each task category.

A. Asset Analysis. B.Riley expended 60.60 hours in this category for a total charge of \$29,666.00. The services performed in this category generally include but are not limited to: research and analysis of Debtor's real estate holdings; preparation of schedules of real estate holdings; preparation of support schedules for the United States Trustee's Initial Debtor Interview data submission; and analysis and review of other Debtor assets.

B. Business Analysis. B. Riley expended 450.70 hours in this category for a total charge of \$231,264.00. The services performed in this category generally include but are not limited to: analysis and review of the Debtor's financial statements and banking records; assisting the Debtor with various accounting tasks in connection with the bankruptcy; analysis and tracking of professional fee statements, retainers and payments; analysis and monitoring the Debtor's cash flow projections; reviewing and reconciling monthly cash activities; assisting with the preparation of Debtor's Schedules of Assets and Liabilities, Statement of Financial Affairs and Initial Debtor Interview information for the United States Trustee.

C. Business Operations. B. Riley expended 0.30 hours in this category for a total charge of \$202.50. The services performed in this category include analysis of professional retainers to

¹ For the period August 21, 2023, through January 31, 2024, B. Riley inadvertently billed one professional at a rate \$45 per hour higher than the rates included in its prepetition engagement letter. This adjustment corrects for that error.

1 reconcile professional fee payments.

2 D. Case Administration. B. Riley expended 31.70 hours in this category for a total
3 charge of \$18,745.50. The services performed in this category generally include but are not limited
4 to: review of various court pleadings; coordination with counsel on case strategy and deliverables;
5 and correspondence with Debtor and counsel regarding case matters.

6 E. Debtor Meeting/Communications. B. Riley expended 7.30 hours in this category for
7 a total charge of \$4,483.50. The services performed in this category generally include but are not
8 limited to participation in meetings with the Debtor and the United States Trustee; and
9 correspondence with the Debtor.

10 F. Employment/Fee Application. B. Riley expended 15.90 hours in this category for a
11 total charge of \$5,848.50. The services performed in this category generally include but are not
12 limited to: preparation of employment application; review of various pleadings related to
13 employment and compensation; and drafting and finalizing monthly professional fee statements.

14 G. Litigation. B. Riley expended 2.40 hours in this category for a total charge of
15 \$1,620.00. The services performed in this category generally include but are not limited to:
16 communications with Debtor's counsel regarding various litigation matters; research and analysis
17 related to Debtor's pending litigation matters; preparation of litigation case schedule; and activities
18 related to the Committee's information requests.

19 H. Monthly Operating Reports. B. Riley expended 300.00 hours in this category for a
20 total charge of \$137,694.00. The services performed in this category generally include but are not
21 limited to: assisting the Debtor with preparation of Monthly Operating Reports, including analysis
22 of bank accounts and monthly transaction data; and assisting Debtor with treatment and
23 categorization of certain financial transactions;

24 I. Non-working Travel. B. Riley expended 75.20 hours in this category for a total
25 charge of \$16,907.00. The services performed in this category generally include time spent
26 traveling to and from meetings with the Debtor's staff in their office. These hours are billed at one-
27 half (1/2) the billing rate for each B. Riley professional.

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A listing of hours and fees by professional is as follows:

Professional	Hourly Rate	Hours Billed	Total
Wayne P. Weitz	\$675.00	211.70	\$142,897.50
David Greenblatt	\$525.00	101.70	\$53,392.50
- Greenblatt Travel	\$262.50	12.00	\$3,150.00
Coral Hansen	\$495.00	209.30	\$103,603.50
- Hansen Travel	\$247.50	25.50	\$6,311.25
Adriana Piltz	\$450.00	2.50	\$1,125.00
Sushil Krishnan	\$425.00	32.20	\$13,685.00
Tanya Anderson	\$395.00	327.80	\$129,481.00
- Anderson Travel	\$197.50	37.70	\$7,445.75
Eli Cattan	\$375.00	12.00	\$4,500.00
Marilee Greene	\$250.00	11.00	\$2,750.00
Subtotal		983.40	\$468,341.50
Adjustment			\$(19,131.75)
Total			\$449,209.75
Average Rate	\$456.79		

The expenses incurred during the period covered by this Application are as follows:

Category	Total
Lodging	\$5,124.50
Meals	\$843.05
Mileage	\$231.22
Online Research and Data Conversion	\$845.50
Transportation	\$1,276.11
Travel – Air/Rail	\$4,543.63
Total Expenses	\$12,864.01

V.

SUMMARY OF FEES AND EXPENSES

Detailed billing statements reflecting B. Riley's time records and out of pocket expenses filed as **Exhibit A** to the Weitz Declaration in support of this Application reflects total fees in the

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1 amount of \$449,209.75 and expenses in the amount of \$12,864.01 for a total of \$462,073.76,
2 incurred during the Motion Period.

3 B. Riley requests an order under Bankruptcy Code section 330 approving fees in this case
4 of \$449,209.75 and expenses in the amount of \$12,964.01 for a total of \$462,073.76 for the period
5 of August 21, 2023, through and including January 31, 2024, as reasonable and necessary for the
6 administration of this case.

7 VI.

8 PAYMENTS RECEIVED TO DATE; AVAILABILITY OF FUNDS

9 With respect to the Bankruptcy Rule 2016(a) requirements for fee applications, B. Riley has
10 not received any payments to date in this case from any source, other than the Debtor. B. Riley
11 received a retainer prepetition from the Debtor, of which \$64,334.42 (the “Retainer”) remained on
12 the Petition Date.

13 Pursuant to the *Order Establishing Procedures and Authorizing Payment of Professional*
14 *Fees and Expenses on a Monthly Basis* (ECF 212), B. Riley has filed and served fee notices for
15 August 21 through September 30, 2023 (ECF 242), October 2023 (ECF 332), November 2023 (ECF
16 377), December 2023 (ECF 435) and January 2024 (ECF 479). No objections were received on
17 the August through December fee notices, while the time for objections to the January fee notice
18 has not yet expired. Thus, B. Riley has applied its \$64,334.42 retainer and received payment in the
19 amount of \$257,976.79 from the Debtor, such that it has been paid 80% of fees and 100% of costs
20 for the outstanding fees for August 21, through December 31, 2023, as of the time this application
21 was filed.

22 With respect to Bankruptcy Rule 2016(b), B. Riley has not entered into any agreement,
23 express or implied, with any other party-in-interest, including the Debtor, any creditors, or any
24 representative of them, or with any attorney or accountant for such party-in-interest for the purpose
25 of fixing fees or other compensation to be paid for services rendered or expenses incurred in
26 connection with this case, and no agreement or understanding exists between B. Riley and any other
27 person for the sharing of the compensation to be received for services rendered in, or in connection
28 with, this case.

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VII.
CONCLUSION

Based on all of the above, B. Riley respectfully requests that this Court enter an order granting the relief requested herein, and for such other and further relief as the Court deems necessary and proper.

Dated: February 29, 2024

GLASSRATNER ADVISORY & CAPITAL
GROUP, LLC D/B/A B. RILEY ADVISORY
SERVICES

By: /s/ Wayne E. Weitz
WAYNE E. WEITZ
Financial Advisors to Debtor and Debtor in
Possession, The Roman Catholic Archbishop
of San Francisco

Dated: February 29, 2024

FELDERSTEIN FITZGERALD
WILLOUGHBY PASCUZZI & RIOS LLP

By: /s/ Paul J. Pascuzzi
PAUL J. PASCUZZI
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Dated: February 29, 2024

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